

URBAN/MUNICIPAL

CAY ONHBL V89

B76

1988



Hamilton
Entertainment
and Convention
Facilities Inc.

101 York Boulevard
Hamilton, Ontario
Canada L8R 3L4

Tel. 416/527-7900

THE HAMILTON ENTERTAINMENT AND
CONVENTION FACILITIES INC.

1988 BUSINESS PLAN

CAY ONHSL V89

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1988

GOVERNMENT DOCUMENTS

HECFI BUSINESS PLAN



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1988 HECFI BUSINESS PLAN

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MISSION STATEMENT

THE HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC. (HECFI) has been set up to maintain, operate, manage, market and promote the **HAMILTON CONVENTION CENTRE, HAMILTON PLACE THEATRE** and **COPPS COLISEUM** on behalf of The Corporation of the City of Hamilton and the people of the City of Hamilton.

In carrying out its mandate, HECFI is to maximize the use of the three facilities while providing balanced and diversified events and programming for patrons in the Greater Hamilton and surrounding areas.

In a more global mandate, the HECFI facilities are to be used as catalysts to attract patrons from outside the City of Hamilton to attend events at the HECFI facilities, and during their stay, increase the economic activity of the area through the use of: hotel accommodation, restaurants, taxis, retailers, etc.

While municipal subsidization is a reality, it is a long term goal that by effective and efficient management that necessary subsidization by The Corporation of the City of Hamilton will be reduced and eventually eliminated.

This is to be achieved while pursuing excellence of management and service.



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101 York Boulevard
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Canada L8R 3L4
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HECFI ORGANIZATION CHARTS

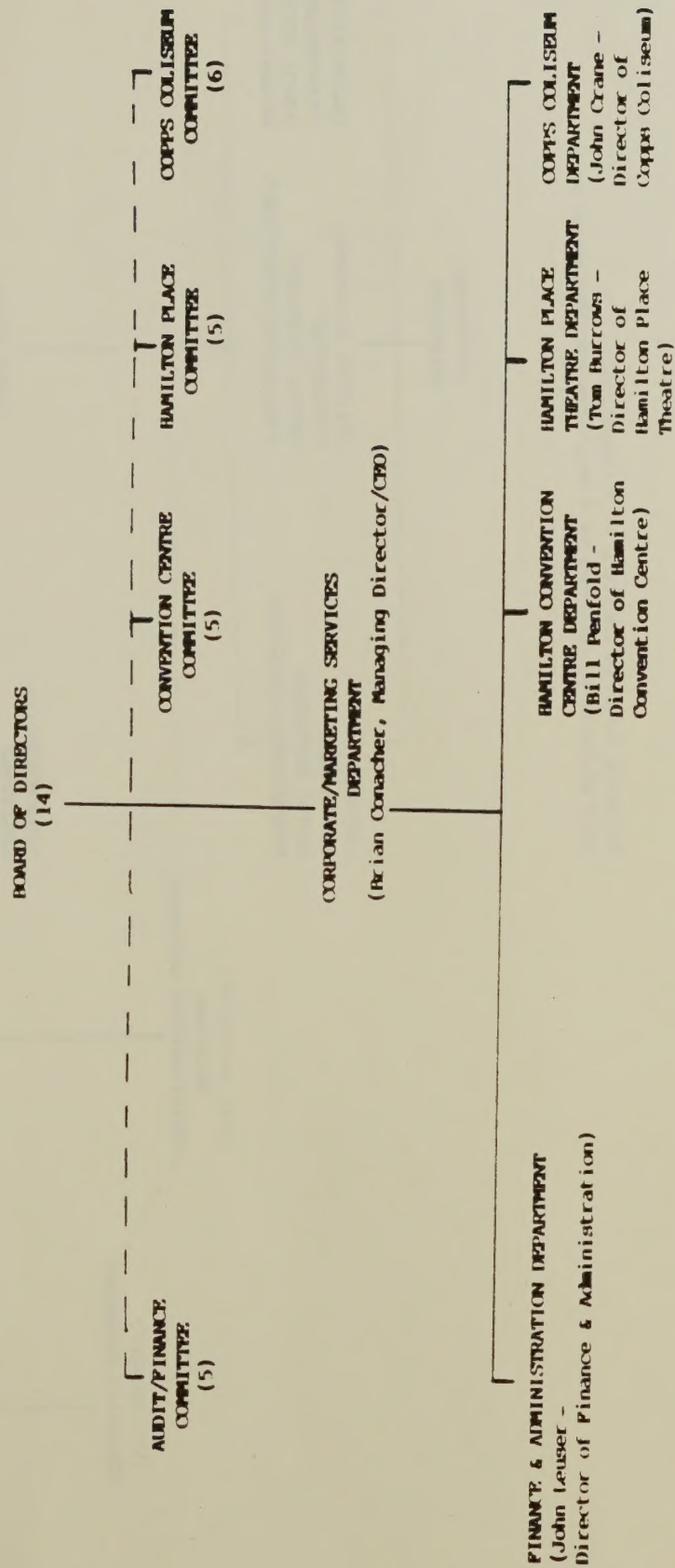
In 1987, major organizational restructuring took place in HECFI. This reorganization and restructuring was necessitated as a result of the resignation of the Director of Marketing and adjustments as a result of the actual experience of operating under the original HECFI organization charts.

The Marketing Department, under the Director of Marketing, had been made up of two areas: Facility Marketing, Marketing Services. As a result of the resignation of the Director of Marketing and the plan not to fill the position, the Facility Marketing area for each facility will become the primary responsibility of each of the facility management Directors, while the Marketing Services area will fall under a new Corporate/Marketing Services Department headed by the Managing Director/CEO.

See attached charts.

OVERALL HEPYI
ORGANIZATION CHART
November, 1987

HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

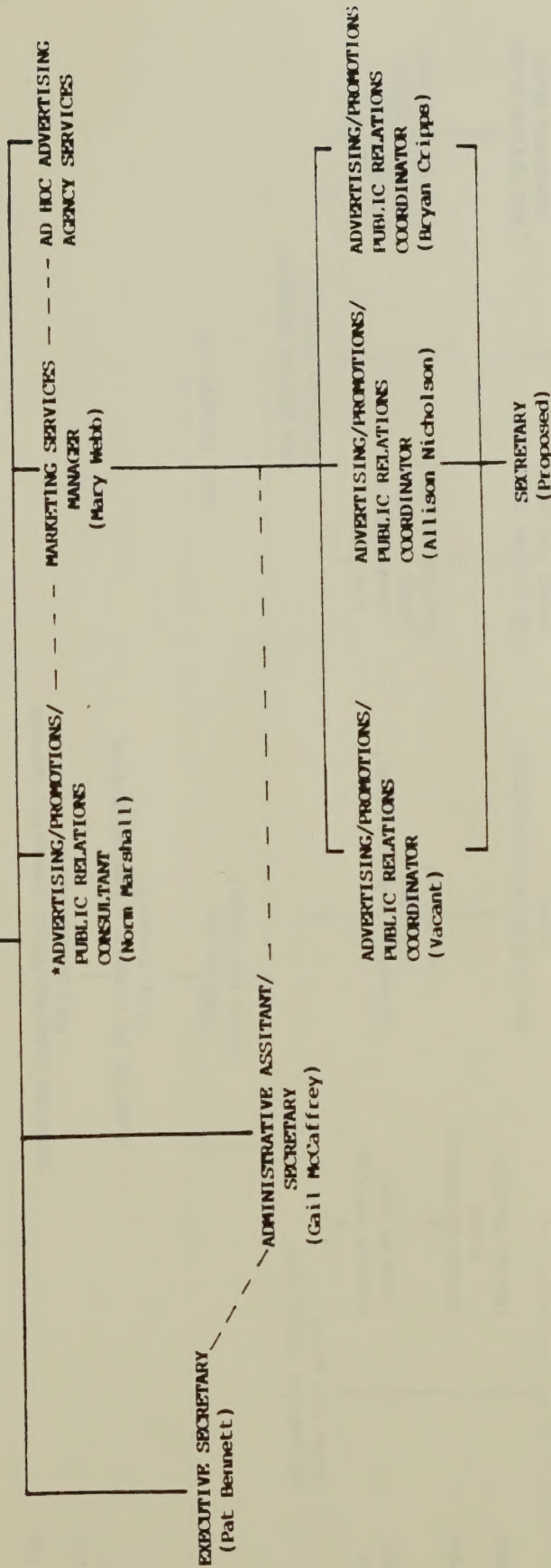


HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

CORPORATE /
MARKETING SERVICES
ORGANIZATION CHART
November, 1987

- * Overall Corporate
- * Marketing Services

MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER
(Brian Conacher)



*Norm Marshall is employed as a part-time employee under a personal services contract as a consultant.

HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

FINANCE &
ADMINISTRATION
ORGANIZATION CHART
November, 1987

- Financial & Administration Services
- Box Office/Ticket Services
- Food & Beverage Services

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER
(Brian Conacher)

DIRECTOR OF FINANCE & ADMINISTRATION
(John Leuser)

BASS TICKETS LTD.

VOLUME CONCESSION
SERVICES INC.

COMPTROLLER
(Rick DiPillippo)

ACCOUNTING SUPERVISOR
(Jane Hartwell)

FINANCE OFFICER
(Rob Fotheringham)

SENIOR ACCOUNTING
CLERK
(Arlene Couchman)

JUNIOR ACCOUNTING
CLERK
(Patty Smith)

FINANCE OFFICER
(Ron Wilson)

SENIOR ACCOUNTING
CLERK
(Karen Stanton)

JUNIOR ACCOUNTING
CLERK
(Isabelle McCain)

ADMINISTRATIVE ASSISTANT/
SECRETARY
(Joan Mills)

ADMINISTRATIVE/ACCOUNTING
CLERK
(Donna VanSickle)

PART-TIME
CLERK/TYPIST

BOX OFFICE MANAGER
(Colleen Spencer)

BOX OFFICE
SUPERVISOR -
CORPS COLISEUM
(Marilyn Bowlby)

BOX OFFICE CLERK -
CORPS COLISEUM
(Susan Bowes)

CLERK
(Mely Murray)

PART-TIME HOURLY
BOX OFFICE
TICKET SELLERS
(10-30)

BOX OFFICE
SUPERVISOR -
HAMILTON PLACE
(Chris Pearson)

BOX OFFICE CLERK -
HAMILTON PLACE
(Anne Moravac)

HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

HAMILTON CONVENTION CENTRE
ORGANIZATION CHART
November, 1967

- Facility Operations
- Facility Marketing
- Event Services
- Food & Beverage Services

MANAGER, RECEPTION/
CHIEF EXECUTIVE OFFICER
(Brian O'Quinn)

DIRECTOR OF HAMILTON CONVENTION CENTRE
(Bill Penfold)

VOLUME CONCESSIONS SERVICES ETC.

OPERATIONS MANAGER (Steve Backman)

EXECUTIVE OFFICER
(Alan Glen)

MANAGER/RECEPTION
(Arlene Murphy)

CO-ORDINATOR
(Martha Barcus)

ASSISTANT/RECEPTION
(Betty Goddard)

RECEPTIONIST/CLERK
(Nancy Velke)

RECEPTIONIST/CLERK
(Nancy Velke)

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(Nancy Velke)

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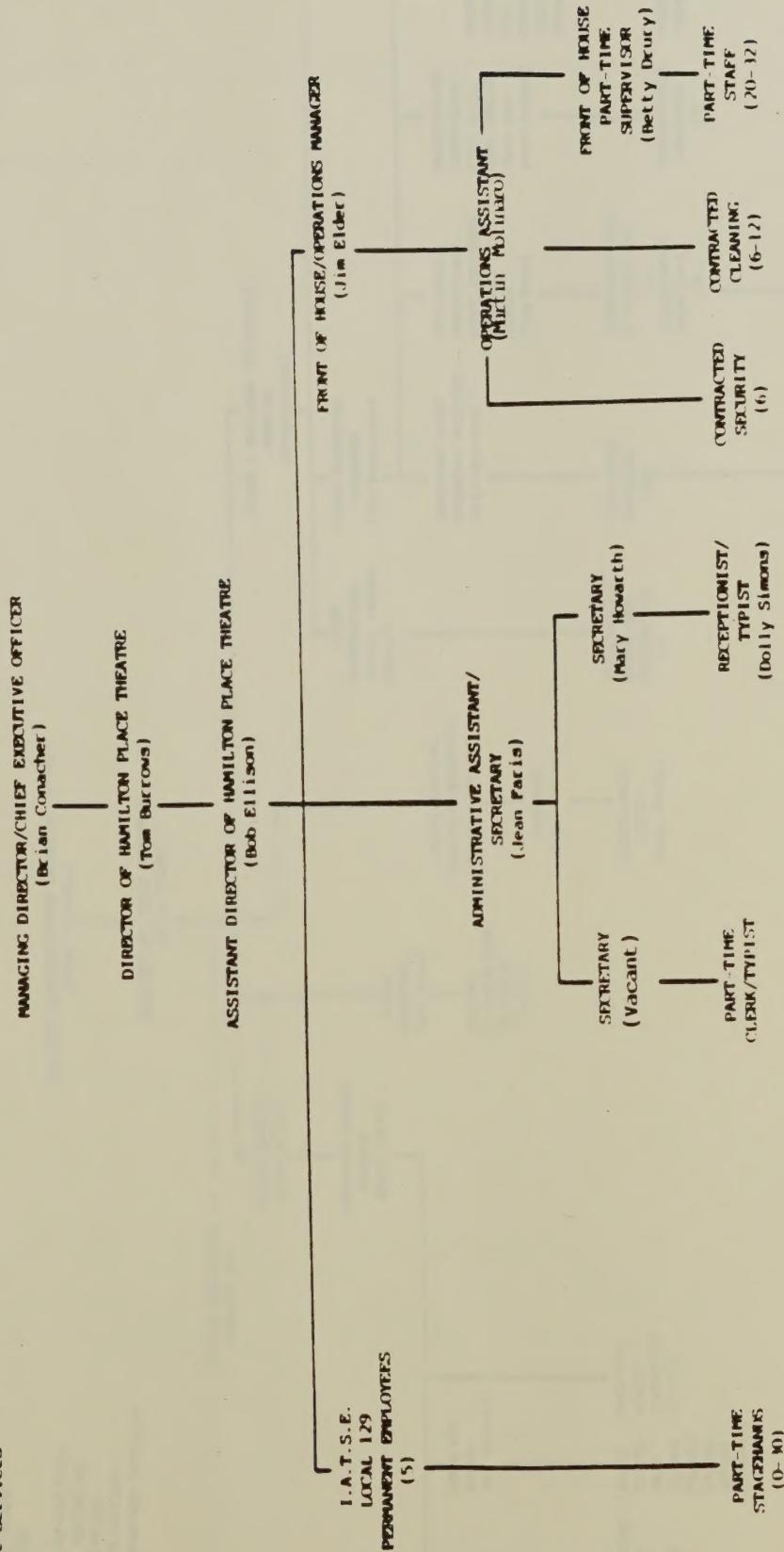
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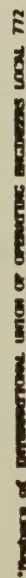
HAMILTON ENTERTAINMENT AND CONVENTION FACILITIES INC.

HAMILTON PLACE
ORGANIZATION CHART
November, 1987

- Facility Operations
- Facility Marketing
- Event Services



- Facility Operations
- Facility Marketing
- Event Services
- Central Utilities
- Food & Beverage Services





SUMMARY OF 1988 GOALS AND OBJECTIVES

HAMILTON CONVENTION CENTRE

1. Attain revenue of at least \$2,632,000. with expenses and Municipal Contribution not to exceed \$3,098,000. and \$466,000. respectively. ✓
2. Attain 725 events for 319 event days, with an attendance of 386,000. ✓
3. Make future sales of \$3,700,000. in food, beverage and space. ✓
4. Acquire at least 27 conventions. ✓
5. Acquire at least 18 trade and consumer shows. ✓

HAMILTON PLACE THEATRE

1. Reduce Financial Exposure

Strive to decrease number of Hamilton Place Theatre promotions with greater number of co-promotions of equal merit and interest in order to reduce financial exposure. ✓

2. Increase Sales/Attendance

Concentrate on improved facility/program marketing working closely with marketing services. ✓

3. Improve Customer Service

Develop "affinity" credit card for fast/convenient access to attractions. ✓

4. Expand "NEW FACES" Programming Format

Involve more community young people, improve training opportunities and increase number of performances. ✓

COPPS COLISEUM

1. Continue efforts to attract an N.H.L. franchise to use Copps Coliseum.
2. Maintain a balanced programming schedule that addresses an expressed community need for professional sports, amateur sports, concerts, family shows, conventions, and trade and consumer shows.
3. Book 134 event days with 117 performances and generate \$724,000. in licence fees consideration.
4. Generate ancillary revenues of \$997,400.
5. Ensure high technical and aesthetic standards for Copps Coliseum and to provide a satisfactory and safe environment for all users with minimal depreciation of capital.

CENTRAL UTILITIES PLANT

1. Continue to provide operational and maintenance resources relating to utility services for the following facilities located in the downtown core of the City of Hamilton: HAMILTON PLACE THEATRE, HAMILTON CONVENTION CENTRE, COPPS COLISEUM, ART GALLERY, REGIONAL OFFICE TOWER, PARKING AUTHORITY, HAMILTON PUBLIC LIBRARY, FARMER'S MARKET, CITY HALL.
2. Continue to improve efficiencies technically and through management to provide the required utility services on the most cost effective basis possible.

CORPORATE/MARKETING SERVICES

1. Prepare and present the 1989 HECFI Operating Budgets and 1989 HECFI BUSINESS PLAN in conjunction with each other prior to the end of 1988.
2. Under a newly restructured and reorganized Marketing Services Department provide advertising, promotions and public relations services to all three HECFI facilities as well as HECFI overall.



Hamilton
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and Convention
Facilities Inc.

101 York Boulevard
Hamilton, Ontario
Canada L8R 3L4
Tel. 416/527-7900

1988 ECONOMIC FORECAST

There are many and varied opinions about the economic forecast for Canada for 1988. Economists have significantly different viewpoints on what affect the October 1987 stock market plunge will have on the economy.

It is generally agreed, however, that Canada is headed for a lower growth rate in its real gross domestic product. The forecasts in growth rate generally range from 1% to 2 1/2% versus about 3 3/4% for 1987. There are some economists who are predicting "doom & gloom" and forecasting a deep recession starting early in 1988. Regardless of the varied and diverse opinions, it is generally predicted that Canada's economy will not achieve similar levels of growth that it did in 1987.

Ontario, and more locally in the Greater Hamilton area, the 1987 economy was very buoyant and vibrant in most sectors. As a result, the HECFI managed and operated facilities, particularly the Hamilton Convention Centre and Copps Coliseum, enjoyed a record year in 1987.

If an economic downturn does occur in 1988, it should be recognized and noted that the products and services HECFI markets are not recession - proof. Events, activities, ticket sales and attendance for all three HECFI facilities may be adversely affected. Consumers traditionally spend less on entertainment and discretionary expenditures in a declining economy. Fewer meetings and conventions will probably be planned with fewer registrants attending.

In the context of a very uncertain economy for 1988, HECFI senior management have prepared their 1988 Operating Budgets and forecasts conservatively.



HAMILTON
CONVENTION
CENTRE

115 King Street West
Hamilton, Ontario
Canada L8P 4T9
Tel. 416/523-5883

HAMILTON CONVENTION CENTRE



INTRODUCTION

The marketing philosophy of the Hamilton Convention Centre will continue to be to supply new dollar generation to the community by attracting conventions and trade and consumer business and providing the facility to the public at the best cost.

The aim is twofold:

1. To attract delegates and clients to Hamilton so that money is spent and rippled through the community;
2. To accept receptions, meetings, banquets and other local business to complement the convention and trade and consumer show business with the view to maximizing the bottom line.

COMPETITION

Major competition in Ontario will continue to be Toronto and Ottawa. Niagara Falls, Windsor and London are all either building new facilities or expanding old ones.

Local food and beverage competition will continue to be the hotels and large banquet halls in the area.

PRICING

Food and Beverage

Food and beverage prices will be increased by at least the cost of living while remaining competitive with local competition.

Alcohol prices are raised from time to time by the LCBO and Hamilton Convention Centre prices will be increased accordingly.

Room Rate

The room licence rate was raised last year; unless competition increase their prices appreciably, Hamilton Convention Centre prices will be maintained.

Convention Rate

Licence rates for conventions will be negotiated, reducing the rate of the Centre to zero if necessary, depending on the potential and projected revenue from food and beverage.

From time to time it may be necessary to reduce Centre licence rates to zero in order to make Hamilton attractive financially to convention clients. While the bottom line may be affected in these cases, the City receives funds indirectly through the rippling effect of the new money brought into Hamilton by convention delegates.

SALES

The 1988 budgeted revenue figure is \$2.632 million, which is 12% over 1987's budget, and Management is confident these figures will be met or exceeded.

The Future Sales figure has been budgeted for 1988 at \$3.707 million, which is 42% over the 1987 budget. 1987 actual sales were outstanding at \$3.6 million and Management believes that this record sales figure will be broken in 1988.

The Centre Sales Team has been consolidated, and each Sales Executive has prescribed goals which they are to achieve in 1988. Along with sales calls, marketplaces and trade shows in Ontario, the Sales Executives will be blitzing Toronto and Ottawa. Magazines and direct mail, and special promotions will also be employed. Additionally, convention bid proposals will be made across Canada to prospective associations and corporations. Meanwhile, North-eastern United States clients will be contacted by direct mail, magazine advertising, sales calls, marketplaces and trade shows.

Training sessions for the Sales Executives will be an important part of the job. Sales seminars, sessions on presentation skills, and special convention seminars will all be part of the training.

With their goals established and training prescribed, the Sales Executives anticipate an exciting and productive year, especially in securing conventions. Twentyseven are forecast to be acquired during 1988 for a sales figure of just over \$1 million. This is an ambitious goal for this relatively new and young Sales Team, but the team is intelligent, efficient and effective, and are enthusiastically looking forward to 1988 being the best year ever.

Specifically, the Sales Department will have the following responsibilities:-

<u>Sales Manager and</u>	
International Convention Sales	Nat Davidson
Association Convention Sales	Sal Farrauto
Corporate Convention Sales	Vince Guglielmo
Local Acceptance	Karen Dowhan

Target markets for conventions will have the following geographical priorities:

- | | | |
|--------------|---|---|
| Priority One | - | Provincial |
| Two | - | National |
| Three | - | International (United States - having the boundaries north of Washington DC and east of Illinois to the Eastern seaboard) |

The market will be segmented into the five areas that are endemic to Greater Hamilton:

- Corporate
- Technical
- Medical
- Educational
- Sports

Marketing Services will concentrate advertising, promotion and publicity on these five areas, keeping in mind the three geographical priorities.

Meanwhile, local area banquets, wedding and reception business will not be solicited, but orders will be taken as required.

The attached chart outlines the Sales Objectives for 1988.



HAMILTON CONVENTION CENTRE

1988 SALES OBJECTIVES - HAMILTON CONVENTION CENTRE - BY MONTH

	CONVENTIONS	BANQUETS DINNERS	RECEPTIONS	WEDDINGS	MEETINGS	TRADE / CONSUMER SHOWS	OTHER	TOTAL
	EVENTS DOLLARS	EVENTS DOLLARS	EVENTS DOLLARS	EVENTS DOLLARS	EVENTS DOLLARS	EVENTS DOLLARS	EVENTS DOLLARS	EVENTS DOLLARS
January	4 \$100,000	42 \$148,000	3 \$14,000	5 \$21,000	11 \$17,000	2 \$34,000	12 \$28,000	79 \$362,000
February	4 114,000	26 169,000	3 16,000	1 4,000	12 20,000	4 46,000	8 31,000	58 400,000
March	2 74,000	38 110,000	4 10,000	1 5,000	15 13,000	3 36,000	4 20,000	67 268,000
April	2 90,000	22 133,000	2 12,000	1 9,000	14 15,000	1 18,000	4 25,000	46 302,000
May	2 97,000	27 143,000	2 13,000	2 10,000	16 17,000	1 21,000	3 27,000	53 328,000
June	1 62,000	20 93,000	1 8,000	2 12,000	11 10,000	- -	3 16,000	38 201,000
July	2 72,000	17 113,000	3 10,000	3 15,000	15 17,000	- -	4 20,000	44 241,000
August	2 118,000	21 185,000	2 16,000	3 15,000	15 29,000	- -	4 33,000	47 396,000
September	2 75,000	34 111,000	5 12,000	3 15,000	10 13,000	2 18,000	6 21,000	62 265,000
October	2 105,000	48 155,000	7 14,000	3 12,000	12 18,000	1 11,000	4 29,000	77 344,000
November	4 135,000	29 201,000	1 19,000	2 5,000	13 23,000	1 13,000	3 37,000	53 433,000
December	- -	19 75,000	7 23,000	- -	4 7,000	3 46,000	1 10,000	34 161,000
TOTAL	27 \$1,042,000	343 \$1,636,000	40 \$167,000	26 \$123,000	148 \$199,000	18 \$243,000	56 \$297,000	658 \$3,701,000

NOTE: 1988 Sales Objectives will be reviewed by HECFI Board of Directors at the end of the first quarter of 1988.

HAMILTON CONVENTION CENTRE

1988

PROJECTED STATISTICAL EVENTS REPORT

<u>MONTH</u>	<u>PROJECTED NUMBER OF EVENTS/PERFORMANCES</u>	<u>PROJECTED NUMBER OF EVENT DAYS</u>	<u>PROJECTED ATTENDANCE</u>	<u>PROJECTED NUMBER OF SQUARE FEET USED</u>
JANUARY	69	28	11,000	487,000
FEBRUARY	74	28	19,000	918,000
MARCH	55	26	35,000	1,279,000
APRIL	74	28	33,000	1,104,000
MAY	74	29	23,000	1,280,000
JUNE	63	28	31,000	811,000
JULY	12	13	3,000	531,000
AUGUST	29	27	10,000	600,000
SEPTEMBER	46	29	93,000	1,448,000
OCTOBER	85	30	78,000	1,807,000
NOVEMBER	81	29	41,000	1,667,000
DECEMBER	63	24	9,000	325,000
Total	725	319	386,000	12,257,000

Notes:

1. Number of Event Days includes Move-in/Move-out/Rehearsal days.
2. Total sq. ft. available per day is 104,868 sq. ft.

HAMILTON CONVENTION CENTRE

1988

PROJECTION BY TYPE OF EVENT

<u>TYPE OF EVENT</u>	<u>TOTAL # OF EVENTS/ PERFORMANCES PROJECTED</u>	<u>% OF TOTAL</u>	<u>TOTAL EVENT REVENUE PROJECTED</u>	<u>% OF TOTAL</u>	<u>ATTENDANCE PROJECTED</u>	<u>% OF TOTAL</u>
BANQUETS	37	5.2	\$ 91,000.	3.5	5,800	1.5
RECEPTIONS/BANQUETS	186	25.7	897,000.	34.1	35,500	9.2
RECEPTIONS	43	5.9	113,000.	4.3	6,600	1.7
MEETINGS	177	24.4	122,000.	4.6	30,100	7.8
MEETINGS/RECEPTIONS	25	3.4	34,000.	1.3	3,500	0.9
MEETINGS/BANQUETS	147	20.3	192,000.	7.3	10,000	2.6
WEDDINGS	38	5.2	203,000.	7.7	6,200	1.6
CONVENTIONS	15	2.1	480,000.	18.2	34,700	9.0
TRADE/CONSUMER SHOWS	17	2.3	313,000.	11.9	225,400	58.4
OTHER (ENTERTAINMENT, ETC.)	40	5.5	187,000.	7.1	28,200	7.3
Total	725	100.0	\$2,632,000.	100.0	386,000	100.0

HAMILTON CONVENTION CENTRE

1988

PROJECTION BY ORIGIN OF EVENT

<u>ORIGIN OF EVENT</u>	<u>TOTAL # OF EVENTS/ PERFORMANCES PROJECTED</u>	<u>% OF TOTAL</u>	<u>TOTAL EVENT REVENUE PROJECTED</u>	<u>% OF TOTAL</u>	<u>ATTENDANCE PROJECTED</u>	<u>% OF TOTAL</u>
LOCAL/COMMUNITY	599	82.6	\$1,574,000.	59.8	161,000	41.6
PROVINCIAL	104	14.3	571,000.	21.7	188,000	48.7
NATIONAL	22	3.1	487,000.	18.5	37,000	9.7
INTERNATIONAL	0	0	0	0	0	0
	—	—	—	—	—	—
Total	725	100.0	\$2,632,000.	100.0	386,000	100.0
	—	—	—	—	—	—

Note:

LOCAL/COMMUNITY events include those from the Greater Hamilton and Burlington area.



HAMILTON
PLACE
THEATRE

Box 2080, Station A
Hamilton, Ontario
Canada L8N 3Y7
Tel. 416/525-3100

INTRODUCTION

The challenge is to design a theatre that will be a permanent part of the community and will be a place where the people of Hamilton can go to see the best of the world's theatre. The design must be a place where the people of Hamilton can go to see the best of the world's theatre. The design must be a place where the people of Hamilton can go to see the best of the world's theatre.

CONCLUSION

The design must be a place where the people of Hamilton can go to see the best of the world's theatre. The design must be a place where the people of Hamilton can go to see the best of the world's theatre. The design must be a place where the people of Hamilton can go to see the best of the world's theatre.

HAMILTON PLACE THEATRE

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ORGANIZATIONAL STRUCTURE AND PUBLIC RELATIONS

THE ORGANIZATION

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INTRODUCTION

The challenge for 1988 is to increase the number of performance events budgeted (210 with 15 rehearsal/set-up days) - while adhering to the programming mandate which provides for an equitable distribution of available dates between types of events. Though special consideration has been given Community performing organizations, planning and current activity emphasize increasing the number of popular international events.

PROGRAMMING

Management has, during the final quarter of 1987, attempted to negotiate more rentals and co-promotions for 1988 in an effort to reduce the higher risk of straight promotions. It is felt necessary to reduce financial exposure in a year that, at best, is deemed uncertain in terms of audience perception of the economic outlook and, therefore, what may be considered disposable income for entertainment.

Paradoxically, more attractions are available of the type that promise greater attendance figures. These include a greater number of individual artists and musical attractions currently being offered. Every effort will be made to negotiate contracts favourable to the facility.

ADVERTISING, PROMOTIONS AND PUBLIC RELATIONS

HECFI Marketing Services

Given the Board approved reorganization of Corporate Marketing and an adequate budget which provides a detailed marketing plan to augment facility marketing, it is anticipated that attendance and sales will be increased.

Special emphasis is needed to improve potential audience awareness in the 380,000 population, very accessible Mississauga area.

Facility Advertising, Promotions, Public Relations

Sponsorships, representing significant savings in advertising costs and doubling audience awareness, will be negotiated for a greater number of attractions than 1987, with CHCH-TV, The Hamilton Spectator and Area Radio Stations.

Plans for an "affinity" credit card for Hamilton Place and Copps Coliseum attractions/events will be presented and, with necessary approvals, implemented.

Co-Promotions/Benefits are planned with the Hamilton Philharmonic and Opera Hamilton.

Audience Surveys will be undertaken to address community preferences in performing arts/entertainment.

HAMILTON PLACE THEATRE
GREAT HALL AND STUDIO THEATRE

1988

PROJECTED STATISTICAL EVENTS REPORT

<u>MONTH</u>	<u>PROJECTED REVENUES</u>	<u>PROJECTED EXPENDITURES</u>	<u>PROJECTED MUNICIPAL CONTRIBUTION</u>
January	\$ 100,000.	\$ 167,000.	\$ 67,000.
February	140,000.	188,000.	48,000.
March	180,000.	210,000.	30,000.
April	160,000.	195,000.	35,000.
May	160,000.	195,000.	35,000.
June	120,000.	185,000.	65,000.
July	100,000.	167,000.	67,000.
August	100,000.	167,000.	67,000.
September	135,000.	185,000.	50,000.
October	170,000.	202,000.	32,000.
November	173,200.	205,990.	32,790.
December	145,000.	193,000.	48,000.
Totals	\$1,683,200.	\$2,259,990.	\$576,790.

Notes:

1. Number of Event Days includes Move-in/Move-out/Rehearsal days.
2. A reconciliation of TOTAL PROJECTED REVENUE (above) to TOTAL PROJECTED EVENT REVENUE is available upon request.

HAMILTON PLACE THEATRE
GREAT HALL

1988

PROJECTED STATISTICAL EVENTS REPORT

<u>MONTH</u>	<u>PROJECTED NUMBER OF EVENTS/PERFORMANCES</u>	<u>PROJECTED NUMBER OF EVENT DAYS</u>	<u>PROJECTED ATTENDANCE</u>
JANUARY	14	15	19,000
FEBRUARY	18	19	24,300
MARCH	26	26	35,200
APRIL	21	20	28,400
MAY	21	26	28,400
JUNE	16	10	21,600
JULY	10	12	13,500
AUGUST	10	9	13,500
SEPTEMBER	16	23	21,600
OCTOBER	21	21	28,400
NOVEMBER	21	16	28,400
DECEMBER	16	13	21,600
Total	210	210	284,000

Notes:

1. Number of Event Days includes Move-in/Move-out/Rehearsal days.

HAMILTON PLACE THEATRE
GREAT HALL

1988

PROJECTION BY TYPE OF EVENT

<u>TYPE OF EVENT</u>	<u>TOTAL # OF EVENTS/ PERFORMANCES PROJECTED</u>	<u>% OF TOTAL</u>	<u>TOTAL EVENT REVENUE PROJECTED</u>	<u>% OF TOTAL</u>	<u>ATTENDANCE PROJECTED</u>	<u>% OF TOTAL</u>
SYMPHONIC CONCERTS	56	26.7	\$ 202,500.	13.5	84,100	29.6
CHORAL CONCERTS	11	5.2	60,000.	4.0	12,500	4.4
BAND CONCERTS	7	3.3	37,500.	2.5	9,400	3.3
POP/M.O.R.	8	3.8	66,000.	4.4	10,800	3.8
COUNTRY/WESTERN	8	3.8	72,000.	4.8	12,800	4.5
BROADWAY/REVIEW	38	18.1	375,000.	25.0	49,700	17.5
ROCK/CONTEMPORARY	9	4.3	105,000.	7.0	12,200	4.3
DANCE	14	6.7	141,000.	9.4	19,000	6.7
OPERA	7	3.3	172,500.	11.5	10,800	3.8
THEATRE	1	0.5	12,000.	0.8	1,400	0.5
VARIETY ENTERTAINMENT	39	18.6	208,500.	13.9	47,100	16.6
NON-PERFORMANCE EVENTS (Conventions, Meetings, Etc.)	12	5.7	47,750.	3.2	14,200	5.0
Total	210	100.0	\$1,499,750.	100.0	284,000	100.0

HAMILTON PLACE THEATRE
GREAT HALL

1988

PROJECTION BY ORIGIN OF EVENT

<u>ORIGIN OF EVENT</u>	<u>TOTAL # OF EVENTS/ PERFORMANCES PROJECTED</u>	<u>% OF TOTAL</u>	<u>TOTAL EVENT REVENUE PROJECTED</u>	<u>% OF TOTAL</u>	<u>ATTENDANCE PROJECTED</u>	<u>% OF TOTAL</u>
LOCAL/COMMUNITY	112	53.3	\$ 530,900.	35.4	151,400	53.3
PROVINCIAL	6	2.9	45,000.	3.0	8,200	2.9
NATIONAL	20	9.5	141,000.	9.4	27,000	9.5
INTERNATIONAL	72	34.3	782,850	52.2	97,400	34.3
	—	—	—	—	—	—
Total	210	100.0	\$1,499,750.	100.0	284,000	100.0
	—	—	—	—	—	—

Note:

LOCAL/COMMUNITY events include those from the Greater Hamilton and Burlington area.

HAMILTON PLACE THEATRE
STUDIO THEATRE

1988

PROJECTED STATISTICAL EVENTS REPORT

<u>MONTH</u>	<u>PROJECTED NUMBER OF EVENTS/PERFORMANCES</u>	<u>PROJECTED NUMBER OF EVENT DAYS</u>	<u>PROJECTED ATTENDANCE</u>
JANUARY	21	24	0
FEBRUARY	20	26	9,200
MARCH	27	36	8,700
APRIL	21	24	4,200
MAY	30	33	8,400
JUNE	0	0	3,300
JULY	0	0	0
AUGUST	3	3	900
SEPTEMBER	7	7	0
OCTOBER	20	26	8,000
NOVEMBER	14	17	2,400
DECEMBER	17	20	6,900
Total	180	216	52,000

Notes:

1. Number of Event Days includes Move-in/Move-out/Rehearsal days.

HAMILTON PLACE THEATRE
STUDIO THEATRE

1988

PROJECTED BY TYPE OF EVENT

<u>TYPE OF EVENT</u>	<u>TOTAL # OF EVENTS/ PERFORMANCES PROJECTED</u>	<u>% OF TOTAL</u>	<u>TOTAL EVENT REVENUE PROJECTED</u>	<u>% OF TOTAL</u>	<u>ATTENDANCE PROJECTED</u>	<u>% OF TOTAL</u>
SYMPHONIC CONCERTS	8	4.1	\$ 12,000.	9.6	1,600	3.0
CHORAL CONCERTS	4	2.1	3,200.	2.6	700	1.3
BAND CONCERTS	1	0.5	150.	0.1	200	0.4
POP/M.O.R.	--	--	--	--	--	--
COUNTRY/WESTERN	--	--	--	--	--	--
BROADWAY/REVIEW	--	--	--	--	--	--
ROCK/CONTEMPORARY	--	--	--	--	--	--
DANCE	4	2.0	3,200.	2.6	1,000	2.0
OPERA	4	2.0	2,550.	2.0	1,000	2.0
THEATRE	174	88.8	103,000.	82.3	46,200	88.8
VARIETY ENTERTAINMENT	--	--	--	--	--	--
NON-PERFORMANCE EVENTS (Conventions, Meetings, Etc.)	1	0.5	1,000.	0.8	1,300	2.5
Total	196	100.0	\$ 125,100.	100.0	52,000	100.0

HAMILTON PLACE THEATRE
STUDIO THEATRE

1988

PROJECTION BY ORIGIN OF EVENT

<u>ORIGIN OF EVENT</u>	<u>TOTAL # OF EVENTS/ PERFORMANCES PROJECTED</u>	<u>% OF TOTAL</u>	<u>TOTAL EVENT REVENUE PROJECTED</u>	<u>% OF TOTAL</u>	<u>ATTENDANCE PROJECTED</u>	<u>% OF TOTAL</u>
LOCAL/COMMUNITY	138	70.5	\$ 110,588.	88.4	39,500	75.9
PROVINCIAL	49	25.0	10,508.	8.4	10,200	19.6
NATIONAL	4	1.8	2,752.	2.2	1,700	3.3
INTERNATIONAL	5	2.7	1,251	1.0	600	1.2
Total	196	100.0	\$ 125,100.	100.0	52,000	100.0

Note:

LOCAL/COMMUNITY events include those from the Greater Hamilton and Burlington area.



Copps Coliseum

Victor K. Copps
Trade Centre/Arena

101 York Boulevard
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Tel. 416/527-7900

COPPS COLISEUM



Copps Coliseum

Victor K. Copps
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INTRODUCTION

The primary marketing goal of 1987 was to "maintain and build upon the momentum generated in Copps Coliseum's inaugural year of operation (1986)."

In actual fact, the goal was exceeded, both in terms of revenue and number of event days. The Labatt Canada Cup international hockey series, the Moscow Circus and Disney On Ice topped a long list of sports and entertainment features which produced both a tangible financial return and international recognition unprecedented in the history of the City of Hamilton.

Again, as in 1986, the business section of the community realized immense benefits from the Coliseum's success. There was indisputable proof, too, that the facility and the City are capable of hosting world class sports and entertainment events.

1988, primarily because of present indications of a potential downturn in the economy, will be a year of challenge in which time will be "no holds barred" competition for the consumer's entertainment dollar. The only answer to that challenge is even greater concentration in aggressive and innovative sales and marketing methodology.

Already, such top-bracket events as the world-renowned Ringling Brothers Circus, are a part of the 1988 target attractions.

The 1988 marketing plan which follows is the blueprint of a strategy designed to maintain the growth of the facility in the marketplace and to provide a workable response to any problems which could be the by-product of a troubled economy and the certainty of greatly increased competition for both events and revenues.

PHILOSOPHY

To continue the development of Copps Coliseum as a major league entertainment and sports complex in Hamilton so that Hamilton is recognized and acknowledged as a major league city.

THE PRODUCT (COPPS COLISEUM)

Copps Coliseum is a 17,000+ seat structure which can be characterized as a multi-use facility combining arena and trade centre functions. Arena uses include professional and amateur sports, concerts, family shows and special events such as conventions and religious events. Multi-purpose facilities augment this mix with trade and consumer show capability.

The primary market for Copps Coliseum is south-central Ontario, extending from Guelph/Kitchener to the Niagara Peninsula and east to Toronto. Within a 60-mile radius of Copps Coliseum, there are approximately 4 million people to draw upon.

The 17,000+ seat Copps Coliseum situated in the heart of one-fifth of the total Canadian population is a marketable product for an N.H.L. franchise, other professional sports, amateur sports, concerts, family shows, conventions and trade/consumer shows.

TARGET MARKET (POTENTIAL FACILITY USERS)

- concert promoters/producers
- talent agents
- personal managers for artists
- family show promoters/producers
- trade/consumer show managers and organizers (shows requiring 50,000 sq. ft. and more)
- potential N.H.L. franchise owners for Hamilton

- local, provincial and federal athletic associations
- convention planners (events suitable for arena type setting)
- athletic event promoters/producers (amateur and professional)
- event sponsors, e.g. Molson's, Labatt's
- provincial film-making governing body
- film-makers
- other professional sports potential franchise owners for Hamilton, e.g. NBA, MISL

COMPETITION

Professional Hockey (N.H.L. franchise):

Cities that are mentioned along with Hamilton in vying for an N.H.L. franchise are Dallas, Texas; Tacoma, Washington; San Francisco, California; Milwaukee, Wisconsin; and Albany, New York.

The strengths of the Hamilton bid are:

- 1) Four million people in the primary market;
- 2) Canadians are synonymous with the game of hockey and hence the confidence in local support for a Hamilton franchise is high;
- 3) Since the opening of Copps Coliseum, there has been evidence of strong support for hockey events, i.e. 1986 World Junior Hockey Championship, Canada's Olympic Team (Moscow Selects, U.S.S.R. National Team); N.H.L. pre-season game (Boston Bruins vs Washington, Capitals); 1987 Canada Cup.
- 4) The anticipated rivalries between Hamilton and both Toronto and Buffalo.

Hamilton's weaknesses are:

- 1) A majority of the N.H.L. owners are American and records show that some Canadian teams are "bad draws" in U.S. cities;

- 2) There is an imbalance in the number of N.H.L. teams on the eastern seaboard as compared to the rest of the continent. There seems to be an over-concentration of teams in the east;
- 3) Possible territorial rights compensations to Toronto and possibly Buffalo.

Other Professional Sports:

The other professional sports users of Copps Coliseum were N.B.A. exhibition basketball (Detroit vs Houston), closed-circuit boxing (Leonard vs Hagler), arenacross, wrestling and rodeo.

For other professional sports events demand, primary competitors to Copps Coliseum include Maple Leaf Gardens in Toronto, Memorial Auditorium in Buffalo and Kitchener Memorial Arena. With a seating capacity over 17,000, a modern design, and a reasonable licence fee rate, Copps Coliseum is positioned well to compete effectively for its market share of other professional sports.

Amateur Sports:

For the amateur sports events demand, primary competitors to Copps Coliseum include Maple Leaf Gardens in Toronto and Kitchener Memorial Arena. The amateur sports users of Copps Coliseum in 1987 were the Hamilton Steelhawks, Hockey Canada, O.U.A.A. Basketball Championship, The Hamilton Spectator Indoor Games, minor league hockey and ringette.

Copps Coliseum is not expected to compete with Toronto or Kitchener for junior hockey since each city has its own team. With the revival of the Toronto Sun Indoor Games around the same time of year as the Hamilton Spectator Indoor Games, Hamilton will compete with the Toronto event for track and field audience. Local events such as minor league hockey and ringette will continue to take place at Copps Coliseum. Copps Coliseum is expected to be competitive for major amateur sports events because of its size and reasonable licence fee rate.

Family Shows:

Included in this category are such events as the circus, ice shows, motor sports spectaculars, roller derby and other family-oriented shows.

Maple Leaf Gardens, Buffalo Memorial Auditorium, Kitchener Memorial Arena, and C.N.E. Coliseum are the primary competitors for these type of events.

Generally, family shows rely on demand generated locally. Copps Coliseum's newness, reasonable pricing, and its seating capacity, place it in an advantageous situation. Experience from 1986/1987 and outlook into 1988/1989 indicate that Copps Coliseum can be and is competitive in the family shows business.

Conventions:

The trend in the convention industry is increasingly targeted toward a mix of conference and display activities. Therefore, the addition of Copps Coliseum provides Hamilton with an opportunity to compete more effectively for large conventions. For example, the Jehovah Witnesses Convention returned to Hamilton in 1986 and 1987 after many years of absence due to a lack of a suitable facility in Hamilton. It is promising that the Jehovah Witnesses Convention will become an annual affair in Copps Coliseum.

Toronto and Ottawa are the primary competitors for conventions. Hamilton is at a disadvantage when competing against Toronto for major conventions because of its limitation in hotel accommodation and Toronto's image as a major league city. Hamilton can be competitive for smaller conventions with 1,000 to 1,200 delegates.

Trade/Consumer Shows:

For trade/consumer shows demand, the primary competitors include: the International Centre in Toronto, indoor facilities at C.N.E. in Toronto, the Toronto Convention Centre, and probably the proposed Skydome in Toronto. Secondary competitors include the Kitchener Memorial Arena, Brantford Arena and Garden City Arena in St. Catharines. Smaller trade and consumer shows are held at these arenas and, as such, will be competitive.

Indications from operators of U.S.-based facilities are that there is very little cross-border demand for trade/consumer shows and these facilities will have minimal competitive impact on Copps Coliseum for trade/consumer shows.

MARKET SHARE/MARKETING RESEARCH PROGRAMME

At the present time, information regarding Copps Coliseum market share is not available, because of Copps Coliseum's newness in the southcentral Ontario marketplace. However, it is evident that Copps Coliseum has had an impact on the marketplace.

It will take at least another year before Copps Coliseum can fully penetrate the marketplace, clearly identifying a niche and then establish a consistency or pattern in its business. At that time, a more accurate and meaningful marketing research programme can be conducted. The experience and data acquired from 1986, 1987 and 1988 will become the base information to develop a future marketing research analysis.

A private marketing research firm can be contracted to perform the market research programme; a service fee will then be included in the budget accordingly.

In the interim, basic data such as available events, events at other competitive facilities, attendances and events gross revenues can be obtained through trade publications, e.g. Amusement Business Newspaper, Billboard, Performance Magazine, Pollstar, and entertainment sections in newspapers. This will then be analyzed on an ongoing basis to provide pertinent data.

MARKETING STRATEGY AND TACTICS FOR 1988

STRATEGY

- I) Continue efforts to attract an N.H.L. franchise to use Copps Coliseum.

TACTICS:

- a) To continue with the efforts of the "N.H.L. Committee" whose sole purpose is to win an N.H.L. franchise. This marketing unit would review all data gathered to this point relative to a Hamilton franchise; would prepare all possible documentary evidence supporting the feasibility of a franchise located in Copps Coliseum and then would begin an intensive lobbying campaign with N.H.L. owners and governors, federal and provincial governments and, of course, the U.S. and Canadian media.

Cooperation with Hamilton's municipal government would be established as a first step.

- b) From now until June when the 1988-1989 schedules are drawn up, confidential activities by the N.H.L. Committee will continue with prospective franchise owners and governors.
- c) Continue intensive awareness and lobbying campaigns with owners and governors of the league supporting feasibility of a Hamilton franchise.
- d) Through ongoing dialogue with the N.H.L., organize appropriate Hamilton attendance and promotions at N.H.L. events, i.e. N.H.L. All-Star Game, N.H.L. Annual Draft and Expo, League meetings.
- e) Continue to attract and stage hockey events such as N.H.L. pre-season exhibition games, Team Canada games, etc., which will draw the attention of the hockey world onto Hamilton.

II) Maintain a balanced programming schedule that addresses an expressed community need for professional sports, amateur sports, concerts, family shows, conventions, and trade and consumer shows.

TACTICS:

- a) To seek rebooking of events that were successful in the past, for example: Battle of the Monster Trucks, international hockey (Team Canada), N.H.L. exhibition game(s), N.B.A. exhibition game(s), concerts, W.W.F. wrestling, Harlem Globetrotters, Hamilton International Auto Show, Canada Cup, Disney's World On Ice, rodeo, Moscow Circus, motion pictures and commercial filming.
- b) To seek bookings of new events, for example: Ringling Brothers Barnum and Bailey Circus, M.I.S.L. exhibition game, gymnastics, motorcycle racing on ice, tennis, Ice Capades, major and minor concerts of rock, MOR and country.

III) In 1988, book 134 event days with 117 performances and generate \$724,000. in licence fees consideration.

TACTICS:

- a) Conduct appropriate direct sales trips to potential facility users: promoters, show producers, event organizers, associations, talent agents, personal managers of artists, etc.
- b) Create awareness of Hamilton and Copps Coliseum by inviting potential facility users to Hamilton for on-site familiarization trips.
- c) Meet and sell Copps Coliseum to potential facility users by attending appropriate conventions and conferences.
- d) Continue direct mail campaign to potential facility users:
 - 1. Copps Coliseum monthly newsletter;
 - 2. Issue appropriate news releases for special announcements;
 - 3. Personal correspondence for special events and occasions.
- e) Continue to remain in constant contact with potential facility users through telemarketing.
- f) Present proposals to potential facility users for events desired by Copps Coliseum through appropriate sales trips, correspondence and telephone.
- g) Create awareness of Hamilton and Copps Coliseum by placing advertisement in appropriate trade publications (see Corporate Media Plan).
- h) Provide maximum post-sale services to licencees such as unpaid publicity and promotions (i.e. message centre mention, monthly newsletter, news releases, media conferences), monitor and report ticket advance sales, etc., to ensure licensee satisfaction and repeat business.

- i) Provide optimal facility physical conditions and maximum events management services to ensure licensee satisfaction and repeat business.
- j) Develop and implement sales incentive programmes such as volume discount, rebate, risk reduction and upside protection.

Copps Coliseum will begin to participate in the sharing of licensee's revenues generated from souvenir programmes and novelty sales. This participation will be included in the negotiation of overall terms and conditions for the licenced use of Copps Coliseum.

IV) Generate ancillary revenues of \$997,400.

TACTICS:

a) Display advertising	\$ 50,000.
b) Hockey clock/message sign/ sound system rentals	\$ 9,000.
c) Stage, tables, chairs and equipment rentals	\$ 6,000.
d) Casual ice licence fees	\$ 3,000.
e) Private boxes	\$137,500.
f) Food and beverage concessions	\$300,000.
g) Event charges recoveries	\$453,800.
h) Other revenue	\$ 38,100.

TOTAL:	\$997,400.
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NOTE: Copps Coliseum will begin to participate in the sharing of licensee's revenues generated from souvenir, programme and novelty sales. This participation will be included in the negotiation of overall terms and conditions for the licenced use of Copps Coliseum.

CO-PROMOTION/PROMOTION, EXCLUSIVITY, PROTECTION TIME

Co-promotion/promotion of events between Copps Coliseum management and promoters/producers of various events must be seriously and carefully considered as part of the marketing philosophy for Copps Coliseum. Although there is an element of financial risk associated with such ventures, it is another marketing strategy and potential opportunity. In the absence of an N.H.L. franchise in Copps Coliseum, there is an obvious need to generate further events and revenues.

The present trend in the facility management industry is that an increasing number of facilities are co-promoting and promoting events on their own. This is a phenomenon caused by an ever-increasing supply of buildings, fewer acts, shorter tours, enormous guarantees being demanded by artists, and artists' growing preference to deal directly with facility operators in order to cut costs and increase their profit margin. All promoters and facilities are suffering from the same problems especially the ones in secondary and smaller markets. Promoters are looking for help from facility operators who can help ease their financial burdens by sharing in the risk and liability.

In recent meetings, C.P.I. has expressed a special interest in establishing a relationship with Copps Coliseum on a co-promotion basis in order to increase concert activities at Copps Coliseum. Copps Coliseum will continue to pursue the dialogue on co-promotion with C.P.I. Further, the co-promotion/promotion concept will continue to be seriously evaluated by Copps Coliseum on a global basis in 1988.

Exclusivity is another available option that could be used, when necessary and appropriate, to enhance the business of Copps Coliseum. But at this time exclusivity is still not recommended as a marketing tactic. The advisability of exclusivity is constantly being monitored and evaluated. However, protection time (before/after) for shows of similar nature is being exercised with discretion by the marketing staff judging each event individually, based on its own merits. Protection time, basically, is a form of exclusivity and it is a necessary marketing tactic to secure certain types of events.

MARKETING/SALES TRAVEL

Greater emphasis will be placed on direct sales in 1988.

Copps Coliseum Sales Executive travelling within North America will be necessary for direct sales calls on the target market. The Sales Executive will maintain and also expand the presence of Copps Coliseum in annual conventions involving the facility management, entertainment and trade/consumer show industries, i.e. IAAM, CMBA, CAEM, etc. Further, it will be necessary for the Sales Executive to travel and conduct observations of various events in order to determine the feasibility and desirability of certain events that are under consideration for booking by Copps Coliseum.

PRICING

1987 - The rate of a minimum of \$6,000.00 or 12% of gross ticket revenues (after sales taxes) whichever is greater, per performance, with 3% box office fee, is generally an acceptable rate among the users of the facility, except concert promoters. The rate is well positioned among facilities of similar size in Canada. A majority of the similar size facilities in Canada have a published rate of 15% and 5% with Maple Leaf Gardens and Montreal Forum being much higher. Nevertheless, Copps Coliseum is faced with a set of very unique challenges. Because of Copps Coliseum's newness, its proximity to the Toronto area market and C.P.I.'s special relationship with Maple Leaf Gardens and the C.N.E., Copps Coliseum is being continually pressured by concert promoters to reduce its rate in order to obtain concert business.

1988 - Copps Coliseum will increase its minimum Basic Building Fee from \$6,000.00 to \$6,500.00 in order to reflect economic adjustment. The percentage portion of the Basic Building Fee will remain constant at 12%. The increase in the minimum fee in 1988 will be the first increase since the Coliseum opened in 1985.

The Coliseum's contract with B.A.S.S. Tickets Ltd. is due to expire in mid 1988. Therefore, a change in the present 3% box office fee might be necessary in 1988 depending on the outcome of the new ticketing situation.

In order to attract events desired by Copps Coliseum, marketing staff must exercise flexibility to negotiate, and deviate from the published standard licence fee rate without dramatically compromising the integrity of the standard licence fee structure.

For example, putting a "maximum" on the licence fee, creating a sliding-scale formula, charging a flat fee, reducing the percentage of licence fee collected (say 10%), a combination of the above mentioned, etc., are possible variations that Copps Coliseum could be made more financially attractive for concert producers/promoters.

Further, after two year's experience, Copps Coliseum event staff are more experienced and efficient. Therefore, event related costs may be reduced, making Copps Coliseum even more financially attractive to a potential licensee.

ANCILLARY REVENUES

More emphasis will be placed on maximizing Copps Coliseum ancillary revenues. A total of \$997,400. will be generated in 1988. Some new sources of ancillary revenues that will be explored in 1988 are casual ice licence fees, souvenir/programme/novelty commissions, display advertising and retail space licence fees.

CONCLUSION

In conclusion, Copps Coliseum marketing strategy must accomplish the earlier stated aims, and ultimately achieve the primary goal of creating a major league entertainment and sports complex in Hamilton so that Hamilton is perceived as a major league city.

COPPS COLISEUM

1988

PROJECTED STATISTICAL EVENTS REPORT

<u>MONTH</u>	<u>PROJECTED REVENUES</u>	<u>PROJECTED EXPENDITURES</u>	<u>PROJECTED MUNICIPAL CONTRIBUTION</u>
January	\$ 113,420.	\$ 115,380.	\$ 1,960.
February	240,600.	253,370.	12,770.
March	240,950.	254,740.	13,790.
April	91,680.	135,730.	44,050.
May	70,350.	99,660.	29,310.
June	71,300.	72,670.	1,370.
July	134,100.	110,330.	(23,770.)
August	90,200.	91,740.	1,540.
September	102,750.	109,060.	6,310.
October	190,650.	202,350.	11,700.
November	249,250.	256,550.	7,300.
December	126,150.	125,490.	(660.)
Totals	\$1,721,400.	\$1,827,070.	\$105,670.

Notes:

1. Number of Event Days includes Move-in/Move-out/Rehearsal days.

2. A reconciliation of TOTAL PROJECTED REVENUE (above) to TOTAL PROJECTED EVENT REVENUE is available upon request.

COPPS COLISEUM

1988 PROJECTED STATISTICAL EVENTS REPORT

<u>MONTH</u>	<u>PROJECTED NUMBER OF EVENTS/PERFORMANCES</u>	<u>PROJECTED NUMBER OF EVENT DAYS</u>	<u>PROJECTED ATTENDANCE</u>
JANUARY	11	13	61,000
FEBRUARY	15	20	87,500
MARCH	19	16	102,000
APRIL	6	8	31,000
MAY	2	3	15,000
JUNE	2	3	15,000
JULY	11	15	110,000
AUGUST	7	10	60,000
SEPTEMBER	7	8	26,500
OCTOBER	9	9	67,500
NOVEMBER	20	21	99,000
DECEMBER	8	8	46,000
Total	117	134	720,500

Notes:

1. Number of Event Days includes Move-in/Move-out/Rehearsal days.

COPPS COLISEUM

1988

PROJECTION BY TYPE OF EVENT

<u>TYPE OF EVENT</u>	<u>TOTAL # OF EVENTS/ PERFORMANCES PROJECTED</u>	<u>% OF TOTAL</u>	<u>TOTAL EVENT REVENUE PROJECTED</u>	<u>% OF TOTAL</u>	<u>ATTENDANCE PROJECTED</u>	<u>% OF TOTAL</u>
AMATEUR HOCKEY	41	35.0	\$ 252,735.	15.0	143,000	19.8
OTHER AMATEUR SPORTS	3	2.6	33,698.	2.0	17,500	2.4
PROFESSIONAL HOCKEY	1	0.9	50,547.	3.0	15,000	2.1
OTHER PROFESSIONAL SPORTS	6	5.1	202,188.	12.0	73,000	10.1
CONCERTS	12	10.2	421,225.	25.0	120,000	16.7
FAMILY SHOWS	23	19.7	353,829.	21.0	137,000	19.0
CONVENTIONS	16	13.7	151,641.	9.0	150,000	20.8
TRADE/CONSUMER SHOWS	12	10.2	168,490.	10.0	50,000	7.0
OTHER	3	2.6	50,547.	3.0	15,000	2.1
Total	117	100.0	\$1,684,900.	100.0	720,500	100.0

COPPS COLISEUM

1988

PROJECTION BY ORIGIN OF EVENT

<u>ORIGIN OF EVENT</u>	<u>TOTAL # OF EVENTS/ PERFORMANCES PROJECTED</u>	<u>% OF TOTAL</u>	<u>TOTAL EVENT REVENUE PROJECTED</u>	<u>% OF TOTAL</u>	<u>ATTENDANCE PROJECTED</u>	<u>% OF TOTAL</u>
LOCAL/COMMUNITY	3	2.6	\$ 33,698.	2	6,000	0.8
PROVINCIAL	47	40.2	286,433.	17	218,000	30.3
NATIONAL	11	9.4	101,094.	6	45,000	6.2
INTERNATIONAL	56	47.8	1,263,675	75	451,500	62.7
	—	—	—	—	—	—
Total	117	100.0	\$1,684,900.	100.0	720,500	100.0
	—	—	—	—	—	—

Note:

LOCAL/COMMUNITY events include those from the Greater Hamilton and Burlington area.



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CENTRAL UTILITIES PLANT



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INTRODUCTION

The Central Utilities Plant (C.U.P.) provides operational and maintenance resources relating to utility services for a number of buildings (Hamilton Place Theatre, Hamilton Convention Centre, Copps Coliseum, Art Gallery, Regional Tower, Parking Authority, Hamilton Public Library, Farmer's Market, City Hall) located in the downtown core of the City of Hamilton (see Appendix 1).

The environmental systems of this building conglomerate are monitored and controlled by a centralized computer system situated at the C.U.P. This computer system is the largest of its kind in Canada and possibly North America.

Goals and Objectives 1988 -

i) General

- a) to provide leadership, work control and scheduling in an effort to maximize productivity of the work force and to prioritize work in accordance with the needs and funds approved.
- b) to ensure high technical and aesthetic standards for the facilities and to provide a satisfactory, safe environment for all users with minimal depreciation of capital.
- c) to provide a maintenance resource capable of maintaining system components and equipment to accepted standards, while maintaining a low unit and life cycle cost.
- d) to provide a preventive maintenance programme servicing all facilities' systems and equipment and through scheduled inspection and care, minimize the effects of wear and tear thus limiting the need and expense for non-scheduled repairs.
- e) to achieve an overall reduction in energy consumption through effective management programmes and improvement projects.
- f) to negotiate all service contracts associated with the operations and maintenance of the Central Utilities Plant.

- g) to encourage and assist in the development and training of the staff resource so as to maximize the capabilities and experience of this resource. ✓

ii) Specific

a) Capital Improvement Projects

1. Hamilton Place - Replacement of Gas Fired Heating Boilers

Four of the eight existing natural gas boilers will be removed and replaced with two new high efficiency units. With the addition of these boilers, our heating requirements will be fulfilled utilizing 100% natural gas as the fuel source. This will effectively eliminate the use of the electric boilers which are much more costly to operate in terms of fuel and maintenance. The electric boilers will be relegated to a back-up role. It is anticipated that this project will provide a reduction of energy costs of approximately \$50,000.00 per annum. Total project cost \$140,000. ✓

2. Hamilton Place - Replace/Modify Supply and Return Air Fan System Dampers

The air control dampers will be refurbished to a new condition. This will ensure proper operation of these devices resulting in efficient energy use and increased comfort control. Total project cost \$25,000. ✓

3. Hamilton Convention Centre - Improvements to/Modification of Supply and Return Air Fan Systems

The major air handling systems will be examined to identify and locate performance shortcomings. Systems will be improved accordingly, i.e. revise controls, diffusers, dampers, etc. so as to ensure efficient and effective air quality/quantity and control. Total project cost \$50,000. ✓

4. C.U.P., City Hall, Library - Teardown/Overhaul of Centravacs

This major maintenance project is a continuation of the repair programme initiated in 1987 and will continue through to 1990. Total project cost in 1988 \$54,000.

5. City Hall - Replacement of MCC Panels

This project is a continuation of the replacement programme initiated in 1987 and will continue through to 1989. Total project cost in 1988 \$30,000.

6. Copps Coliseum - Installation of Standby Pumps

This project is a continuation of the work initiated in 1987 and will conclude this year. Total project cost in 1988 \$30,000.

b) Computerized Preventive Maintenance Programme

Currently, job order tasks are developed and assigned by supervisory personnel on a daily, weekly and monthly basis.

The D5200 Computer system has the capability, once programmed, to generate, record and tabulate these job order tasks.

During 1988, we will endeavour to programme all preventive and routine maintenance tasks for the various building equipment and systems on the computer. This will establish an accurate account and record of maintenance activities performed and will reduce the amount of paperwork by supervisory personnel.

This maintenance manager programme will ensure proper maintenance scheduling and will prolong equipment life.

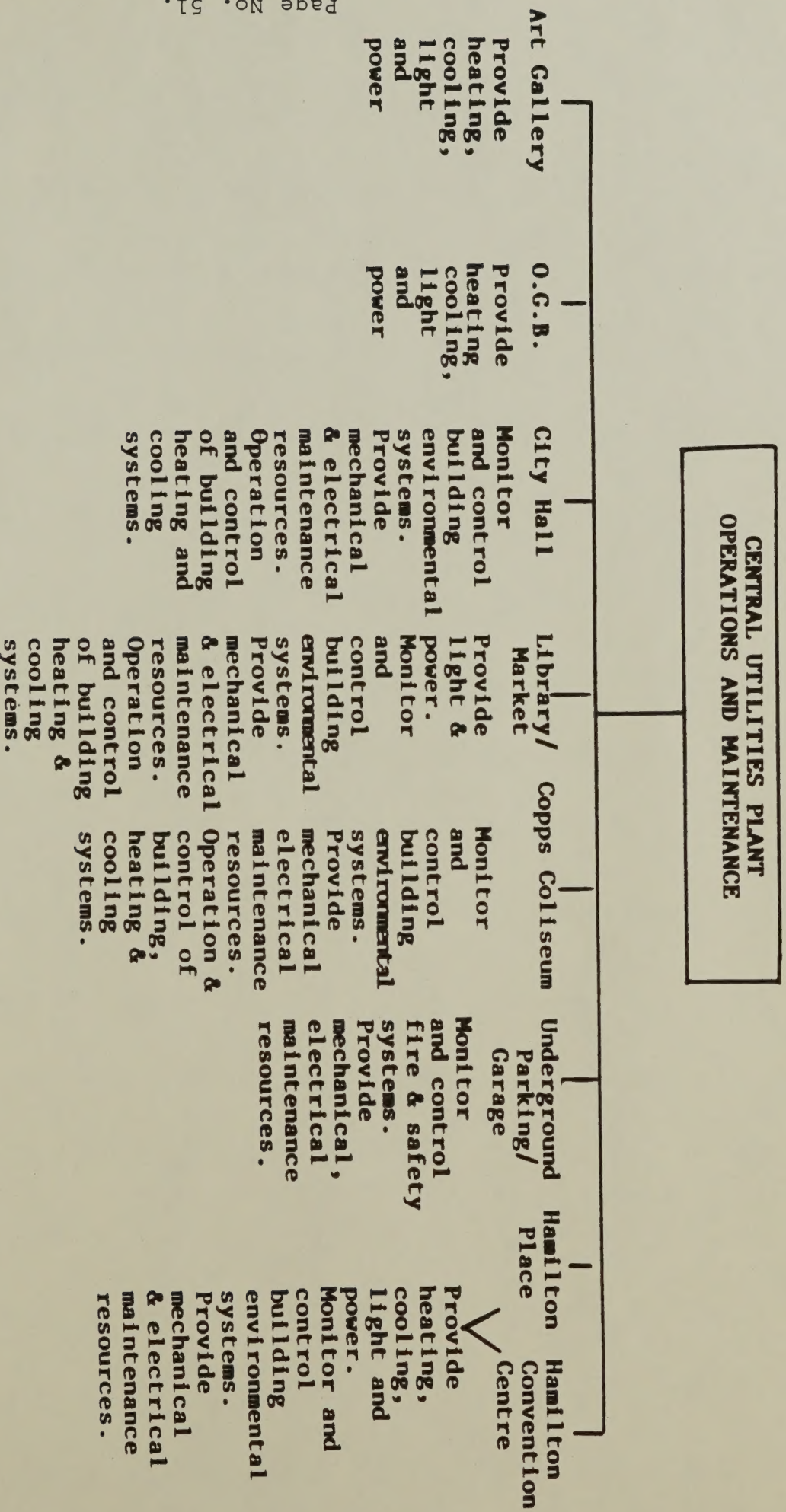
c) Natural Gas Deregulation

During the past few months, my staff have attended seminars on How To Profit From Natural Gas Deregulation. Considerable cost savings are attainable through the direct purchase of natural gas from primary suppliers.

The Association of Municipalities of Ontario (AMO) have recently formed a non-profit corporation whereby bulk purchase agreements would be negotiated with western suppliers and member municipalities would benefit from the bulk rates established. I anticipate in taking upwards to a year for this system of natural gas purchase to get established and operating.

In the meantime, my staff have met with representatives from Union Gas Ltd. in an effort to negotiate reduced rates for natural gas. With the installation of the new gas boilers at Hamilton Place, our heating fuel source will be 100% natural gas. With an increase in minimum consumption, the gas companies offer reduced purchase rates. We will be able to take advantage of these reduced rates once the new boilers are installed.

CENTRAL UTILITIES PLANT - PROVISION OF SERVICES





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CORPORATE / MARKETING SERVICES



INTRODUCTION

All available research indicates that in 1988, the Canadian and North American economies will experience a downturn, not serious enough to be considered fully depressed but certainly recessionary. The result will be a greater strain on the consumers' entertainment and travel dollars. Therefore our advertising, promotions and public relations approach must be designed to anticipate and solve the problems which result from a troubled economy.

With that challenge in mind, the 1988 advertising, promotions and public relations strategy must focus on:

- 1) **Practical Priorities**
(Ad-hoc agency, brochures, advertising layouts, etc.)

The selection of an advertising agency to accommodate the needs of HECFI on a "project" or "ad hoc" basis is the top priority.

- 2) **Marketing Research**
(and assesment of such research)

The introduction of two marketing studies, one for Copps Coliseum and Hamilton Place (problems in common) and one for the Hamilton Convention Centre, must take place immediately.

- 3) **Strategies**
- 4) **Media mix**

From the market studies should come an informational base for the establishment of 1989 marketing strategies.

In the meantime, the HECFI media placement schedule is designed to answer the immediate and already identifiable needs and to anticipate the challenges presented by the forecast of a troubled economy and the possibility of a reduced entertainment and hospitality consumer dollar volume. Increased competition in the market can only be met by a more aggressive advertising and public relations program than at any other time in HECFI's mandate.

In the specific case of the Hamilton Convention Centre where the mandate is different than that of the other two facilities (primarily space sale as opposed to seat sale), the strategy will be to work closely with the Visitor and Convention Services of the Region of Hamilton-Wentworth with particular reference to their media mix.

Some preliminary work has already been done in this respect.

It is obvious that some aspects of the advertising program must be kept flexible in order to accommodate changes in the economy and HECFI programming which cannot be accurately forecast at this time.

The following media budget is designed to support the objectives and strategies of the Facility Marketing Plans for the three facilities.

continued....

1988 ADVERTISING, PROMOTIONS, AND PUBLIC RELATIONS

1.	AD HOC ADVERTISING AGENCY (Back-up figures attached)	\$ 36,000.
2.	SELECTED PUBLICATIONS (Back-up figures attached)	\$101,000.
3.	MARKET RESEARCH	\$ 35,000.
4.	GENERAL PROMOTION (Back-up figures attached)	\$ 63,000.
5.	REGIONAL AND LOCAL EVENT TARGETED ADVERTISING For Hamilton Place and Copps Coliseum (Back-up figures attached)	\$ 54,500.
6.	SPECIAL SALES PROMOTION FOR COPPS COLISEUM, HAMILTON CONVENTION CENTRE AND HAMILTON PLACE (Printing of new brochures and mailing pieces)	\$ 15,000.
7.	N.H.L. BID PROMOTION ACTIVITIES	\$ 5,000.
8.	FAMILIARIZATION AND ON-SITE INSPECTION	\$ 5,000.
9.	SPECIAL AWARENESS CAMPAIGN FOR CANADIAN AND AMERICAN SOCIETY OF ASSOCIATION EXECUTIVES	\$ 30,000.
10.	CLIPPING SERVICE (Hamilton Place and Copps Coliseum)	\$ 4,000.
11.	HECFI EVENT PHOTOGRAPHY	\$ 4,000.
12.	CONSULTANT	\$ 33,000.
13.	BELL CANADA DIRECTORY LISTING	\$ 9,000.
14.	CONTINGENCY	\$ 12,000.

TOTAL\$406,500.

ITEM 1 - BACK-UP FIGURES - AD HOC ADVERTISING AGENCY

The necessity for an ad hoc advertising agency is an urgent priority. This addition is imperative if the promotion and advertising proposal is to be realistically implemented. The current number of staff are not sufficient to carry out the outlined advertising and promotion for all three facilities. Additional support is required immediately.

The \$36,000. agency budget figure is calculated on 200 hours @ \$180.00 per hour or .175% of \$200,000.

The agency is required for the following:

Publications

Creative artwork and layout for publication advertising.

- | | | |
|-----------------------------------|---|---|
| Hamilton Convention Centre | - | 1 page colour and black/white |
| | - | 1/2 page colour and black/white |
| Copps Coliseum and Hamilton Place | - | 1 page colour promoting both facilities |
| HECFI | - | 1 page colour (three facilities) |

Brochures

Creative and production for new brochures for Hamilton Convention Centre, Copps Coliseum and Hamilton Place.

Photography

New photography for publication advertising and brochures.

Regional and Local Event Advertising

Agency may be required to assist here if event advertising cannot be created by in-house staff.

Booking of Publication Ads

It is strongly recommended that the agency book these ads as directed by HECFI Marketing Services. Agencies receive 15% commission at no additional cost to HECFI. This procedure is customary with agencies and acts as a strong incentive for the agency.

ITEM 2 - BACK-UP FIGURES - SELECTED PUBLICATIONS

Publications were selected on the basis of sales potential as opposed to local publications such as the Chamber of Commerce Pictorial, Hamilton Report, Greater Hamilton Business Directory or Chamber of Commerce Directory which are considered to be public relation vehicles and not sales orientated. The public relation publications are not recommended in the 1988 budget.

Successful Meetings (Hamilton Convention Centre) \$ 18,000.
2 insertions - 1 page colour bleed

Meetings & Conventions (Hamilton Convention Centre) \$ 15,000.
2 insertions in Canadian issues
1/2 page black & white

Canadian Associations \$ 6,000.
6 insertions - 1/2 page black & white

Association Management \$ 18,000.
3 insertions - 1 page colour

Chamber of Commerce Publications \$ 10,000.
in N.E. Market
20 insertions - 1/4 page black & white

Financial Post Magazine \$ 8,000.
2 insertions - 1 page black & white

Medical Meetings \$ 5,000.
2 insertions - 1/2 page black & white

Amusement Business \$ 15,000.
4 insertions - 1 page colour

Performance Magazine \$ 6,000.
3 insertions - 1 page colour

TOTAL \$101,000.

ITEM 4 - BACK-UP FIGURES - GENERAL PROMOTION

General Promotion is a difficult category to budget for. Figures here are based, to a degree, on 1987 Expenditures with similar promotion projects anticipated for 1988.

It will be noted that there is a minimum of funds set aside for what is considered "Donation or P.R. Advertising". Special corporate editions such as those of Dofasco, Stelco or The Hamilton Spectator can eat up a budget and are not recommended for 1988.

COPPS COLISEUM

\$ 15,000.

Expenditures similar to the Wall of Fame, Floor Plans, Booster Club, open practices, Commonwealth Games, Host gimmick items such as buttons, pins, etc. (\$5,000.)

HAMILTON CONVENTION CENTRE

\$ 10,000

Expenditures such as Hospitality Week, Winnipeg Conference, Junior Achievement, Client Support promotions such as Wintario, Special Dinner materials (Canada Cup), client publications, association mailing lists and two mailings (\$5,000.).

HAMILTON PLACE THEATRE

\$ 22,500

(Promotion and service required to service promoters and Hamilton Place presentations, not included in charge-backs.)

Mailing list advertising, gift certificate advertising for Hamilton Place and Copps Coliseum, outdoor display cases, fall and spring campaigns, courier, taxis, materials.

COPPS COLISEUM AND HAMILTON PLACE
THEATRE

\$ 1,000.

Expenditures such as student projects and show marketing tickets.

HECFI LOCAL CORPORATE ADVERTISING

\$ 9,500.

Similar to ads for Canusa Games, Commonwealth Games, senior citizens, art councils, annual Christmas card, Burlington signage (\$6,000.)

MISCELLANEOUS

\$ 5,000.

TOTAL \$ 63,000.

ITEM 5 - BACK-UP FIGURES - REGIONAL AND LOCAL TARGETED
ADVERTISING FOR COPPS COLISEUM AND HAMILTON PLACE
THEATRE

Whether the events are on a rental, co-pro or buy contract, both facilities are in the business of selling tickets. To increase awareness and audience attendance, additional markets must be tapped over and above the promoters' limited local advertising.

Flexibility is essential since programming in both facilities is difficult to determine months in advance. Timing and content of advertising will depend on schedule of events.

The following are minimal HECFI supported promotional campaigns which, if consistently and creatively implemented, will result in greater recognition for the facilities and increased ticket sales.

PRINT

The following figures based on 1/4 page print ads.

Toronto	- \$ 3,375. per ad
St. Catharines	- \$ 700. per ad
Spectator	- \$ 1,200. per ad

\$ 5,275. For all three papers

Therefore,

8 insertions (1/4 page)

or 4 insertions (1/2 page) = 8 x \$5,275. \$ 42,200.

RADIO

150 spots at \$35.00 per spot average \$ 5,250.

MAIL DROPS

100,000 mail drop - Burlington, Oakville
(Does not include printing or artwork) \$ 7,000.

TOTAL \$ 54,450.



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FINANCE & ADMINISTRATION



OVERVIEW

- The greatest area of centralization for HECFI has taken place in the area of Corporate/Finance & Administration.
- This area operated very efficiently and effectively in 1987 and is anticipated to continue to do so in 1988.
- The Box Office/Ticket Service area is under this department. The agreement with BASS Tickets Ltd. expires on June 15, 1988. As a result, a major challenge facing this department in 1988 is the negotiation of this contract. A lengthy negotiation process is expected with management considering all of its options, including an in-house system.
- Other challenges facing the department in 1988 are:
 - (i) the continuing pursuit of excellence in service for patrons being serviced by the Box Office/Telephone Room. The general part-time wage increase for 1988 which was approved by the Board on December 11, 1987 should assist management in attracting and retaining capable part-time staff;
 - (ii) the selection, in conjunction with City Treasury staff, of a new financial accounting package with an expected implementation date of January 1, 1989.
- A financial analysis of this department's 1988 operating budget is as follows:

	<u>Budget Estimates</u>	
	<u>1987</u>	<u>1988</u>
Revenue (i.e. Box Office Fees and Interest)	\$ 427,000	\$ 484,000 (+13.3%)
Expenditures	<u>\$1,053,110</u>	<u>\$1,145,590</u> (+8.8%)
Excess of Expenditures Over Revenue	\$ 626,110	\$ 661,590 (+5.7%)

Included in the 1988 budget estimates is a \$13,000 or 49.9% reduction in the funding requirement for the Box Office. However, due to inflationary cost increases and provisions for normal merit increases for salaried employees, the overall increase for this department is 5.7%. It should be noted that the costs associated with the office of the Managing Director/C.E.O. is also included in this department.



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1988 HECFI AND CENTRAL UTILITIES PLANT

OPERATING BUDGETS



INTRODUCTION

The 1988 HECFI and CUP Operating Budgets process began early in September, 1987. Considerable review and revisions have taken place over the past months. What follows is the most comprehensive and reasonable operating budget projections which management can make.

SUMMARY

A summary of HECFI's and CUP's funding requirement by department is as follows:

	Funding Requirement from the City of Hamilton		Increase (Decrease) Over 1987	
	<u>1987</u>	<u>1988</u>	<u>Amount</u>	<u>Percentage</u>
<u>HECFI</u>				
Corporate	\$1,572,520	\$1,297,880	(\$274,640)	(17.5%)
Hamilton Convention Centre	251,170	465,620	214,450	85.4%
Hamilton Place	549,980	576,790	26,810	4.9%
Copps Coliseum	<u>162,290</u>	<u>105,670</u>	<u>(56,620)</u>	<u>(34.9%)</u>
(A) Total Funding Re- quirement for HECFI	<u>\$2,535,960</u>	<u>\$2,445,960</u>	<u>(90,000)</u>	<u>(3.5%)</u>
Less (B) Funding From Carry Forward Of Surplus Prior Year	<u>139,000</u>	<u>49,000</u>	<u>(90,000)</u>	<u>(64.7%)</u>
(C) Municipal Contribution for HECFI	<u>\$2,396,960</u>	<u>\$2,396,960</u>	<u>NIL</u>	<u>0.0%</u>

CUP

(D) Total Funding Requirement for CUP \$2,489,270 \$2,468,490 (\$ 20,780) (0.8%)

Less (E) Funding From
Carry Forward Of
Surplus Prior Year - - - -

(F) Municipal Contribution For CUP \$2,489,270 \$2,468,490 (\$ 20,780) (0.8%)

Funding Requirement from the City of Hamilton		Increase (Decrease) Over 1987	
<u>1987</u>	<u>1988</u>	<u>Amount</u>	<u>Percentage</u>

HECFI/CUP Combined

(G) Total Funding Requirement For HECFI/
CUP (A) + (D) \$5,025,230 \$4,914,450 (\$110,780) (2.2%)

Less (H) Funding From
Carry Forward Of
Surplus Prior Year 139,000 49,000 (90,000) (64.7%)

(I) Municipal Contribution for
HECFI/CUP \$4,886,230 \$4,865,450 (\$ 20,780) (0.4%)

It must be noted that in reality, the actual funding requirements for HECFI (Row A above), CUP (Row D above) and HECFI/CUP combined (Row G above) are budgeted to decrease in 1988 by 3.5%, 0.8% and 2.2%, respectively. However, due to a reduction of \$90,000 (Rows B and H above) in the carry forward to 1988 of the prior year operating surplus, the 1988 municipal contributions for HECFI (Row C above), CUP (Row F above) and HECFI/CUP combined (Row I above) are budgeted to decrease by 0.0%, 0.8% and 0.4%, respectively.

STAFFING AND SERVICE LEVELS IN 1988

There are **no** expansion of service level expenditures budgeted for in 1988. The budgeted staff compliment for HECFI and CUP in 1988 is one staff person less than the approved level for 1987.

The following represents a review of each department's operating budget:

CORPORATE DEPARTMENT -

	<u>1987</u>	<u>1988</u>	<u>Increase (Decrease) Over 1987</u>	
			<u>Amount</u>	<u>Percentage</u>
Funding Requirement from the City of Hamilton	\$1,572,520	\$1,297,880	(\$274,640)	(17.5%)

The reduction in the funding requirement for this department can be attributed to a \$310,120 reduction in the expenditures budget of Marketing Services. This was largely accomplished by the transfer to the Copps Coliseum and the Hamilton Convention Centre budgets of \$357,570 in budgeted marketing costs. This transfer of costs is the result of the Sales or Facility Marketing function being transferred to Copps Coliseum and the Hamilton Convention Centre.

However, the Marketing Services function for all HECFI facilities remains within the 1988 Corporate operating budget. This function covers the creation and placement of advertisements, the production of brochures, etc., and various promotional and public relations activities required for the three facilities.

HAMILTON CONVENTION CENTRE -

	<u>1987</u>	<u>1988</u>	<u>Increase (Decrease) Over 1987</u>	
			<u>Amount</u>	<u>Percentage</u>
Funding Requirement from the City of Hamilton	\$ 251,170	\$ 465,620	\$214,450	85.4%

Included in the Hamilton Convention Centre funding requirement for 1988 is the transfer from the Corporate Department of budgeted 1988 Marketing/Sales costs of \$266,490 related to the transfer of the Facility Marketing or Sales function. Before the inclusion of this item, the Hamilton Convention Centre's funding requirement for 1988 was down 20.7% or \$52,040 from that for 1987.

Revenue

The Hamilton Convention Centre is budgeted to increase its total revenue from a budget of \$2,350,000 in 1987 to a budget of \$2,632,000 in 1988. This represents a budget increase of \$282,000 or 12.0%. However, in relation to the expected actual of \$2,875,000 for 1987, this represents an actual decrease of \$243,000 or 9.2%. In reviewing the revenue budget with the Director of the Hamilton Convention Centre, it was determined that the budget is realistic and should not be increased further for the following reasons:

- (1) In 1987, we had approximately 27 Conventions. We have 12 fewer Conventions on the books at the present time for 1988. The Director of the Hamilton Convention Centre has quantified this reduction in Convention business as being approximately \$162,000 in reduced revenue for the Hamilton Convention Centre in 1988 over 1987.
- (2) Currently, there is great uncertainty about economic prospects for 1988. Economists have significantly differing viewpoints on what affect the October stock market plunge will have on the economy.

If an economic downturn does occur, Council members should be aware that the products and services HECFI markets are not recession-proof. Attendance figures at Hamilton Convention Centre functions and ticket sales at Hamilton Place Theatre and Copps Coliseum will all be adversely affected since consumers generally spend less on entertainment and discretionary expenditures in a declining economy.

- (3) Included in the Tax Reform proposal scheduled to come into effect on January 1, 1988, is a proposed 80% limitation on the deductibility of Business Meals and Entertainment Expenses. Of particular concern to the Convention Centre is its application to Business Meals and Entertainment Expenses incurred while attending a conference, convention, seminar or similar function. The concern is that this tax proposal, if legislated, may cause some Corporations to reduce their expenditures on Business Meals and Entertainment Expenses.

This concern also applies in respect of Copps Coliseum and Hamilton Place Theatre since, under this tax proposal, the cost of licensing the use of the private boxes and the cost of tickets for theatre, concert, sporting events and other similar performances generally will be subject to the 80% limitation on deductibility for tax purposes.

In light of the above factors, it would not be prudent to further increase the Hamilton Convention Centre's revenue budget for 1988, since it is already:

- i) 12% over that budgeted for 1987 which is well in excess of the rate of inflation; and
- ii) 33.4% over that budgeted for 1986 since the revenue budget for 1987 was previously increased 19.1% over that budgeted for 1986.

Expenditures

Included in the expenditures total for 1988 is the transfer from the Corporate Department of budgeted 1988 Marketing/Sales costs of \$266,490 related to the transfer of the Facility Marketing or Sales function. Before the inclusion of this item, expenditures for the Hamilton Convention Centre were budgeted to increase by only 8.2% which, from a business perspective, is favorable since the rate of increase on total expenditures is less than the 12.0% rate of increase on total revenue.

HAMILTON PLACE THEATRE -

	<u>1987</u>	<u>1988</u>	<u>Increase (Decrease)</u> <u>Over 1987</u>	
			<u>Amount</u>	<u>Percentage</u>
Funding Requirement from the City of Hamilton	\$ 549,980	\$ 576,790	\$ 26,810	4.9%

As indicated, a \$26,810 or 4.9% increase in the funding requirement for Hamilton Place Theatre is budgeted for 1988. This increase is due largely to an adjustment in the 1988 budget to reflect a full year's charge associated with adding the new permanent salary position of Secretary which was established in 1987.

Revenue

Hamilton Place Theatre is budgeted to increase its total revenue from a budget of \$1,663,830 in 1987 to a budget of \$1,683,200 in 1988. This represents a budget increase of only \$19,370 or 1.2%.

The projected actual revenue for 1987 will approximate that budgeted for 1988.

The number of events/performances projected for 1988 have been budgeted on the basis of actual experience in 1987 rather than that budgeted for 1987. The projected number of events/ performances for 1988 for the Great Hall and Studio Theatre are approximately 210 and 196, respectively.

Expenditures

Total expenditures for 1988 is budgeted to increase by only 2.1% or \$46,180 over that budgeted for 1987. Approximately half of this increase is due to an adjustment in the 1988 budget to reflect a full year's charge associated with adding the new permanent salary position of Secretary which was established in 1987.

COPPS COLISEUM -

	<u>1987</u>	<u>1988</u>	Increase (Decrease) Over 1987	
			<u>Amount</u>	<u>Percentage</u>
Funding Requirement from the City of Hamilton	\$ 162,290	\$ 105,670	(\$ 56,620)	(34.9%)

As indicated, Copps Coliseum's funding requirement for 1988 is budgeted to decrease by \$56,620 or 34.9% over 1987. However, included in the Copps Coliseum funding requirement for 1988 is the transfer from the Corporate Department of budgeted 1988 Marketing/Sales costs of \$91,080 related to the transfer of the Facility Marketing or Sales function. Before the inclusion of this item, Copps Coliseum's funding requirement for 1988 was down a total of 91.0% or \$147,700 from that for 1987.

Revenue

Copps Coliseum is budgeted to increase its total revenue from a budget of \$1,564,780 in 1987 to a budget of \$1,721,400 in 1988. This represents a budget increase of \$156,620 or 10.0%. However, in relation to the expected actual of \$1,811,313 for 1987, this represents an actual decrease of \$89,913 or 5.0%. In reviewing the revenue budget with the Director of Copps Coliseum, it was determined that the budget is both a realistic and a challenging one for 1988. Why? Well, one must realize that in 1987, Copps Coliseum had the Labatt Canada Cup Tournament which generated from all sources approximately one quarter of Copps Coliseum's annual revenue for 1987.

Management plans to largely replace this loss of revenue in 1988 by:

- (1) increasing the number of events/performances for 1988 by 7 from a projected actual of 110 for 1987 to a projection of 117 for 1988. Management feels this is obtainable, especially when considering that we had a shut down period in 1987.
- (2) generating an additional \$170,000 in revenue from rentals or licence fees in respect of private boxes and display advertising.

Expenditures

Included in the expenditures total for 1988 is the transfer from the Corporate Department of budgeted 1988 Marketing/Sales costs of \$91,080 related to the transfer of the Facility Marketing or Sales functions. Before the inclusion of this item, expenditures for Copps Coliseum were budgeted to increase by only 0.5% which, from a business perspective, is most favorable since the rate of increase on total expenditures is significantly less than the 10.0% rate of increase on total revenue.

CENTRAL UTILITIES PLANT -

	<u>1987</u>	<u>1988</u>	Increase (Decrease) Over 1987	
			<u>Amount</u>	<u>Percentage</u>
Funding Requirement from the City of Hamilton	\$2,489,270	\$2,468,490	(\$ 20,780)	(0.8%)

As indicated, the Central Utilities Plant's funding requirement for 1988 is budgeted to decrease by \$20,780 or 0.8% from 1987.

This is the second straight year that HECFI is requesting a reduced funding requirement for C.U.P. In 1987, the funding requirement for C.U.P. was budgeted to decrease by \$64,260 or 2.5% from that approved for 1986.

A highlight of the C.U.P. budget for 1988 is a reduction of \$50,280 or 2.8% in total energy costs from that budgeted for 1987.

CONCLUSION

The total funding requirements for HECFI, CUP and HECFI/CUP combined are budgeted to decrease in 1988 by 3.5%, 0.8% and 2.2%, respectively. However, due to a reduction of \$90,000 in the carry forward to 1988 of the prior year operating surplus, the 1988 municipal contributions for HECFI, CUP and HECFI/CUP combined are budgeted to decrease by 0.0%, 0.8% and 0.4%, respectively.

In conclusion, expenditures for HECFI and CUP are under control. The challenge which continues to face HECFI is to generate more revenue from the facilities. If this challenge is met, then the objective of gradually reducing the Municipal Contribution in future years, can be achieved.

Note:

The Actual Operating Budgets are available for review upon request.

NOTE: The Actual Operating Budgets are available for
review upon request.

HAMILTON PUBLIC LIBRARY



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